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TAGS: EAID PREL PHUM SENV PAK KU

SUBJECT: DEMARCHE DELIVERED ON FOLLOW-UP APPEAL FOR SUPPORT
FOR PAKISTAN EARTHQUAKE RELIEF AND RECONSTRUCTION

REF: A. STATE 208903

1B. KUWAIT 4746

11. (SBU) Begin Summary. Econoffs delivered ref A demarche points to Abdulkareem Al-Mutawa, the Regional Manager for South Asia at the Kuwait Fund for Arab Economic Development (KFAED). Al-Mutawa acknowledged the importance of expediting GOK assistance to earthquake victims and confirmed KFAED participation at the upcoming Islamabad donor conference. He indicated that a KFAED assessment team would visit Pakistan to identify projects for the allocation of KFAED's \$50M concessionary loan package and complete the outstanding requirements for a hydro-power project in Jolan-Jol Pakistan.

End Summary

12. (SBU) On November 16, Econoffs delivered reftel demarche points to Abdulkareem Al-Mutawa, Regional Manager for South Asia at the GOK's Kuwait Fund for Arab Economic Development (KFAED). Econcouns thanked Al-Mutawa for the GOK's generous assistance and urged sustained GOK support to address the ongoing plight of earthquake victims, including the provision of assistance based on specific Kuwaiti areas of expertise. (Note: KFAED is administering \$50M of the GOK's \$100M assistance package through loans and the Kuwait Red Crescent Society is administering the remainder through in-kind assistance. See ref B).

13. (SBU) Al-Mutawa welcomed KFAED contact with the Embassy on GOK assistance and explained that KFAED was determined to expedite its assistance to help earthquake victims. He confirmed the attendance of KFAED's Director of Operations and an assessment team at the upcoming Islamabad donor conference, adding that the KFAED objective over the next few days would be three-fold: (1) attend the conference and gather current information on outstanding needs; (2) coordinate with the GOP on its needs and expedited disbursal of KFAED's \$50M concessionary loan package to specific projects; and (3) finalize appraisal of a pending hydro-power project in Jolan-Jol, Pakistan, near the Afghan border.

14. (SBU) Al-Mutawa noted that KFAED's mandate precluded it from functioning as a pledging agency, therefore limiting its ability to influence GOK pledges. He explained that KFAED was nonetheless cognizant of the urgent needs and recognized the importance of disbursing its assistance as soon as possible. Without offering details, he explained that the \$50M KFAED concessionary loan package was "very, very concessionary" and would forego "normal lending procedures" in order to address the urgent assistance timeline. He was confident that KFAED Chairman, Foreign Minister Dr. Mohammed Al-Sabah, will approve the loan package once the assessment team submits its findings within the next two weeks.

Al-Mutawa commented that the disbursal's timing is "really a political decision." In response to Econcouns's request for a possible increase in GOK assistance, Al-Mutawa replied "everything is possible in politics."

¶5. (SBU) Al-Mutawa acknowledged the importance of providing country-specific expertise but noted that KFAED's expertise was limited to short-term technical assistance and not long-term training as may be sought after in this case. Econcouns reaffirmed the importance of technical assistance and the proposed hydro power project in Jolan-Jol as important GOK contributions to Pakistan's overarching needs, urging timely conclusion of the project. Al-Mutawa explained that six months ago KFAED signed the Jolan-Jol project agreement with the GOP, adding that the last few months entailed updates to an outdated 1997 Canadian feasibility study. The proposed assessment team's visit would help expedite the project, he explained.

¶6. (SBU) With regard to KFAED lending procedures, Al-Mutawa explained that although KFAED finances one project per country every GOK fiscal year (April 1-March 31), financing two projects in Pakistan was possible. He pointed out that "for political reasons" KFAED currently funds two projects a year in Egypt and China.

¶7. (SBU) Econcouns informed Al-Mutawa of possible USG milair and sea transport to Pakistan of Kuwaiti donated relief supplies. Al-Mutawa was appreciative and offered to pass along the information to interested NGOs, including Muslim charitable organizations. Al-Mutawa expressed his personal sense of loss and grief for the victims, but noted that it would be emotionally overwhelming for him to visit the afflicted areas, explaining that he was still recovering from the emotional grief he experienced after visiting Tsunami affected areas and the devastated village of Bam in Iran.

Bio Note

¶8. (SBU) Abdulkareem Al-Mutawa serves as Regional Manager for East Asia, South Asia and the Pacific at KFAED, having joined the organization in 1992. He speaks English very well and has studied at Cole College in Cedar Rapids, Iowa. He also maintains private business interests in the airline industry, working since 1996 with the Florida-based U.S. firm The Aegis Group (now Volvo Aero). His extended family is comprised of successful Kuwaiti businessmen representing such firms as Lockheed Martin, Volvo, Kia and others.

Background on Kuwait Fund

¶9. (U) KFAED is the GOK's primary vehicle for providing assistance and aid to other countries. It was founded the same year that Kuwait gained its independence, 1961, and was originally intended to assist Kuwait's Arab neighbors. In 1974 its mandate was expanded to include all developing countries. To date, KFAED has committed over 11.5 billion USD in low interest loans to 102 countries through 650 separate projects, has provided over 323 million USD in grants and technical assistance, and has contributed 1.15 billion USD to other development institutions.

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